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SUBJECT: SOUTHERN LEGISLATURE RECOMMENDS INCREASED
MILITARY BUDGET FOR 2006

¶1. (U) On May 10, the Southern Sudanese Legislative Assembly (SSLA) convened to consider recommendations by the Standing Committee on Development, Finance and Economy to change portions of the 2006 budget submitted to the SSLA by the Ministry of Finance. The big winner was the Sudan People's Liberation Army, which had initially been budgeted at 15 percent of non-Multi Donor Trust Fund (MDTF) revenues, or USD 200 million. The Standing Committee recommended that this budget be increased to 40 percent of revenues, or USD 536 million.

¶2. (U) There were lesser tweaks, including 3 percent of non-MDTF revenues, or USD 39 million, for the Constituency Development Fund (CDF). Each SSLA MP can theoretically access CDF fund through the SSLA Constituency Committee to fund develop projects within his/her constituency. The bill also included a loan program by which MPs can purchase cars, an increase in funding for SSLA committees, and various recommendations for altering line items contained in the budgets of various ministries. The bill called for less spending on international travel, among other recommendations for improving GoSS fiscal performance. Finally, the bill noted concern about the "top-down" approach to budgeting employed in this cycle, which it termed contradictory to a "bottom-up" approach consistent with decentralization.

¶3. (SBU) Various MPs told CG after the approval by acclimation of the report that the deal was done, and the 2006 budget would reflect these changes. In an SPLM caucus before the May 10 session, the majority of SPLM MPs supported increased funding for the SPLA drawn from the budget reserve. Five ministers, including Legal Affairs Minister Makwei and Youth and Sports Minister John Luk Jok, unsuccessfully argued to keep the SPLA budget at the proposed initial level and hold the reserve for unexpected contingencies. According to the MPs, both GoSS President Kiir and Vice President Riek Machar had vetted and approved the SPLA increase. Although the bill did not state how ,QlCZsMQQQQ ranks.

¶4. (SBU) Comment: It is our understanding that the higher budget for the SPLA is a one-time arrangement to address urgent needs and does not necessarily reflect a permanent budget trend. If the money is spent wisely, especially for DDR and necessary military downsizing, the increase in the military budget could yield positive results. The GoSS Council of Ministers was much less pleased with MPs refusal to budge on funding the CDF. This initiative is loosely defined and looks on the surface to be a form of mainline pork-barreling. CG Juba will forward a copy of the final 2006 budget as soon as it is released. End Comment

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